

EXECUTIVE SUMMARY

- **POPULATION** – Raleigh's population as of January 1, 2005 is 335,512. Population growth of 13,301 persons in the period January 1, 2004 through January 1, 2005 represents a 4.13% annual increase. As of January 2005, population in Raleigh has increased over 21% since the last decennial census in April 2000, when Raleigh population was measured at 276, 093 persons.
- **EDUCATIONAL ATTAINMENT** – In 2003, 91% of people 25 years and over in the City of Raleigh were high school graduates and 50% had a bachelors degree or higher.
- **AGE/SEX** – Raleigh's population is comprised of 49.5 percent men and 50.5 percent women. The median age of Raleigh residents is 30.9 years of age.
- **RACE** – Raleigh's racial make-up is 63.3 percent white, 27.8 percent Black or African-American, 3.4 percent Asian, 3.6 percent some other race, and 1.9 percent two or more races. 19,308 persons (approximately 7 percent of the population) are of Hispanic or Latino origin.
- **HOUSING UNITS** – Census 2000 reports show that of Census day there were 120,699 housing units located in the City of Raleigh. Recent housing units estimate as of 1/1/05 show that there are 147,355 housing units in the City. Between April 2000 and January 1, 2005 there were 26,656 new units added to the City reflecting a 22.1% increase in housing units for this time period.
- **RESIDENTIAL CONSTRUCTION** – During the 2004 calendar year 4,796 residential building permits representing 6,264 new residential units were issued in Raleigh's jurisdiction. Since Census 2000, an estimated 31,276 dwelling units have been permitted in the City of Raleigh.
- **RALEIGH AND ETJ BUILDING ACTIVITY** – (New, privately owned construction) – In calendar year 2004 the value of new, privately owned building activity in Raleigh and the ETJ surpassed \$958 million. The value for new single family development during calendar year 2004 reached an all-time high exceeding year end totals for the past ten years. There was also an increase in the dollar value of multi-family development in calendar year 2004 as compared to calendar year 2003.
- **TAX RATE** – Raleigh's property tax rate is the lowest of large cities in North Carolina and of other Wake County municipalities.
- **TAX BASE** – Raleigh had a tax base of over \$30 billion in FY 2003-04. The City's tax base is approximately 32% commercial and 68% residential.
- **EMPLOYMENT** – Raleigh's unemployment rate of 3.8% through March of 2005 shows an improvement over its average annual unemployment rate of 4.7% in 2004.
- **SALES PRICE BY UNIT TYPE** – The median sales price for detached units, townhouse units and condominium units in the City of Raleigh was up in calendar year 2004 over calendar year 2003. In each unit type category there was an increase of at least \$3,500 over the previous years median sales price. In calendar year 2004 more single family units sold were in the \$150,001 to \$175,000 price category than any other sales price category ranging from \$25,000 to over \$400,000. More townhouse units were sold in the \$100,001 to \$125,000 price range category than any other price category and condominium units in the \$25,000 to \$100,000 price range category had the most units sold.



Significant Higher Education Institution Presence in Raleigh

Raleigh is currently home to five universities or colleges. Another post-secondary education institution, Wake Technical Community College, is currently developing a second campus in northeast Raleigh.

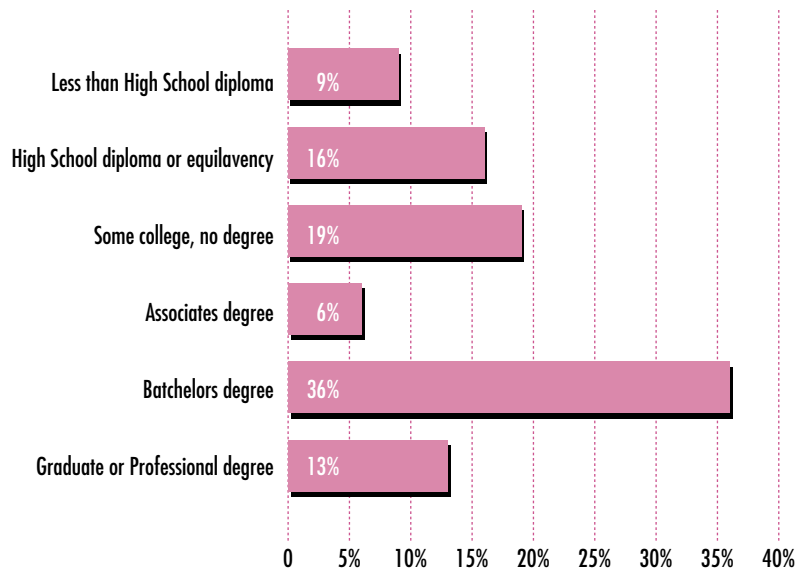
NC State University with an enrollment of over 28,000 students is the largest institution of higher learning in Raleigh. NCSU, Wake Technical University, St. Augustine's College, Meredith College, Shaw University and Peace College all offer a variety of curriculum and degrees. Graduates provide a diverse and talented workforce for job and career opportunities in the Triangle area.

In addition to Wake Tech's new site, many other local colleges

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EDUCATIONAL ATTAINMENT — PERSONS 25 YEARS AND OVER IN THE CITY OF RALEIGH IN 2003

In 2003, 91 percent of people 25 years and over had at least graduated from High School and 50 percent had a Bachelor's degree or higher.

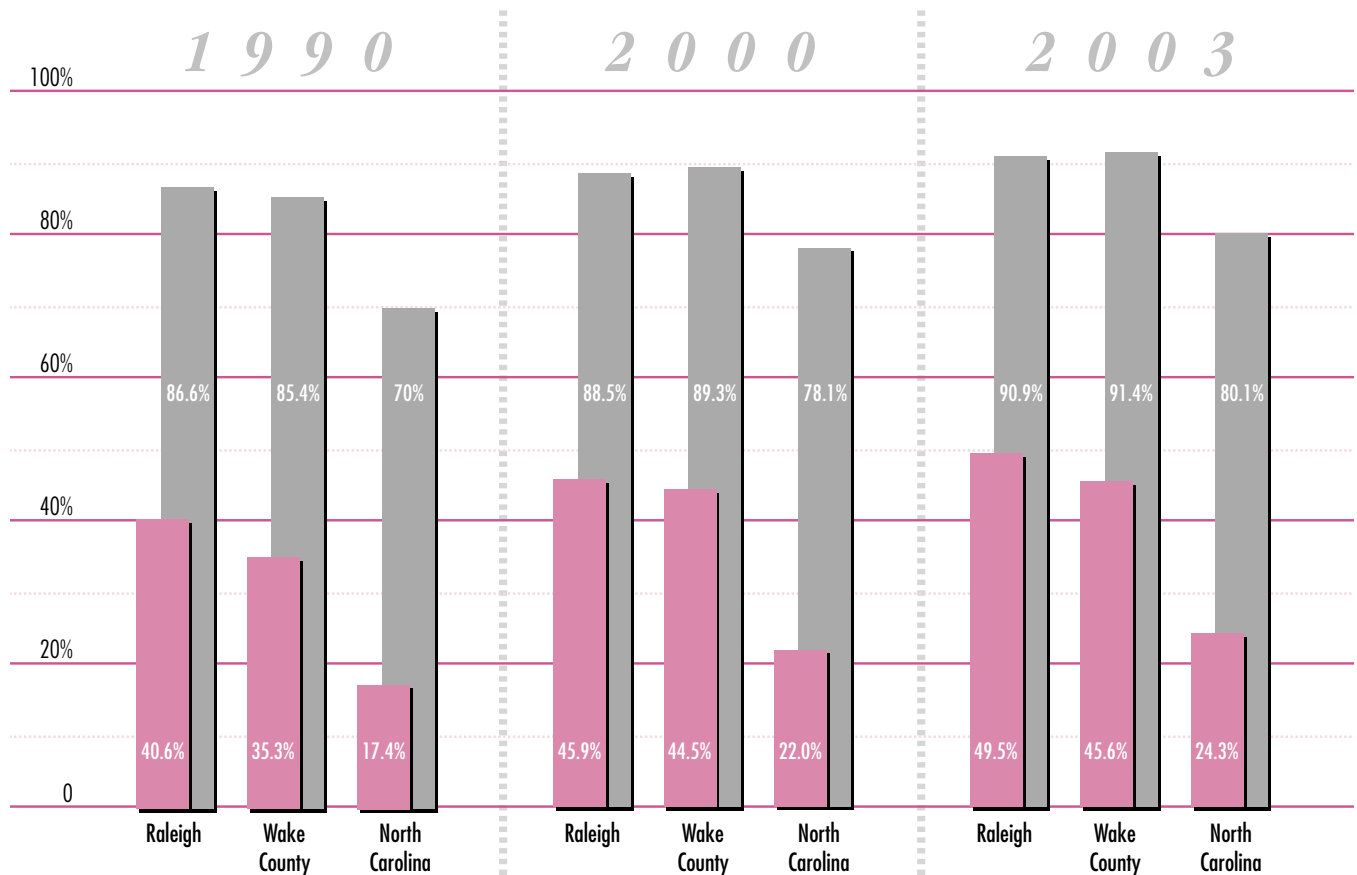
Source: US Census and American Community Survey

EDUCATIONAL ATTAINMENT — PERSONS 25 YEARS AND OVER IN RALEIGH, WAKE COUNTY, AND NORTH CAROLINA

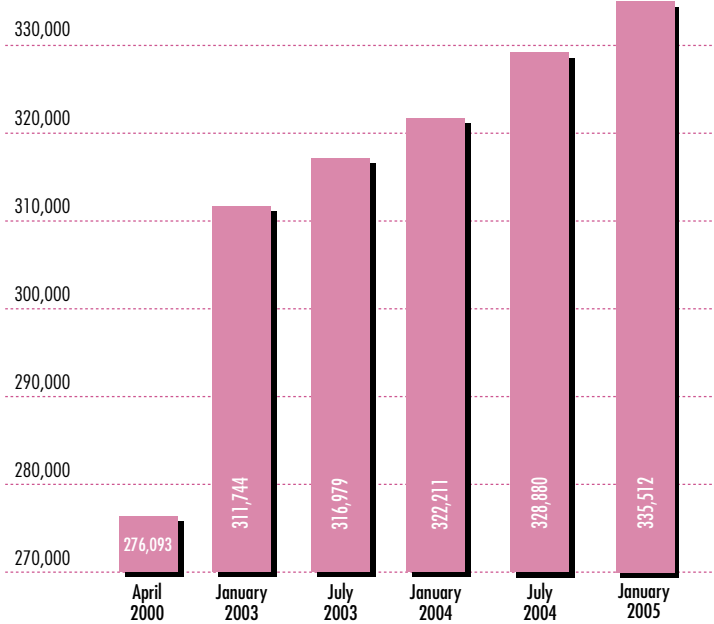
Source: US Census and American Community Survey

% High School degree or higher

% Bachelors degree or higher



RALEIGH POPULATION ESTIMATES



January 1, 2005 Population

Raleigh's estimated population on January 1, 2005 was 335,512. Growth in the period from July 1, 2004 to January 1, 2005 represents a 2.01% increase. Growth in the period from January 1, 2004 to January 1, 2005 represents a 4.13% annual population increase.



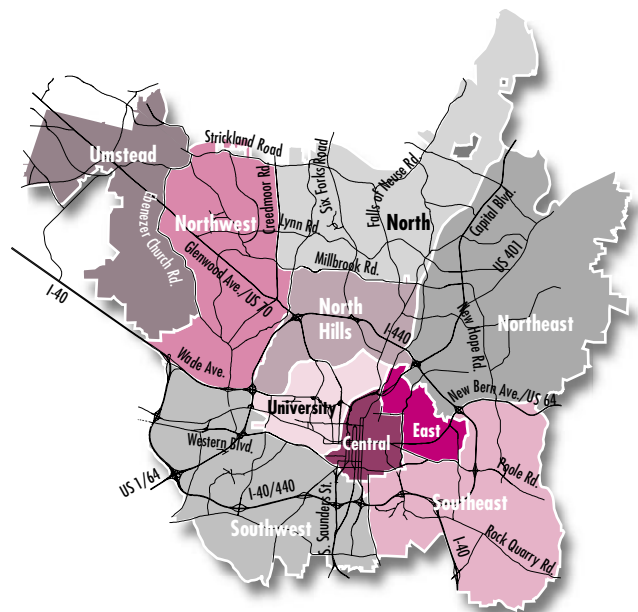
The NC State University Centennial Campus hosts an array of new buildings with unique architectural features.

Population Growth by Planning Districts

Planning District	4/1/2000 Population*	1/1/05 Population	Growth 4/1/00 to 1/1/05
Central	18,523	19,590	1,067
East	10,639	10,729	90
North	58,127	69,948	11,821
North Hills	26,081	28,081	2,000
Northeast	45,308	62,321	17,013
Northwest	41,631	49,396	7,765
Southeast	26,194	33,077	6,813
Southwest	40,652	49,452	8,800
Umstead	7,358	13,207	5,849
University	28,851	29,919	1,068
Total	303,364	365,650	62,286

*4/1/00 Population figures reflect redistribution of group quarters population to correct census block

RALEIGH PLANNING DISTRICTS



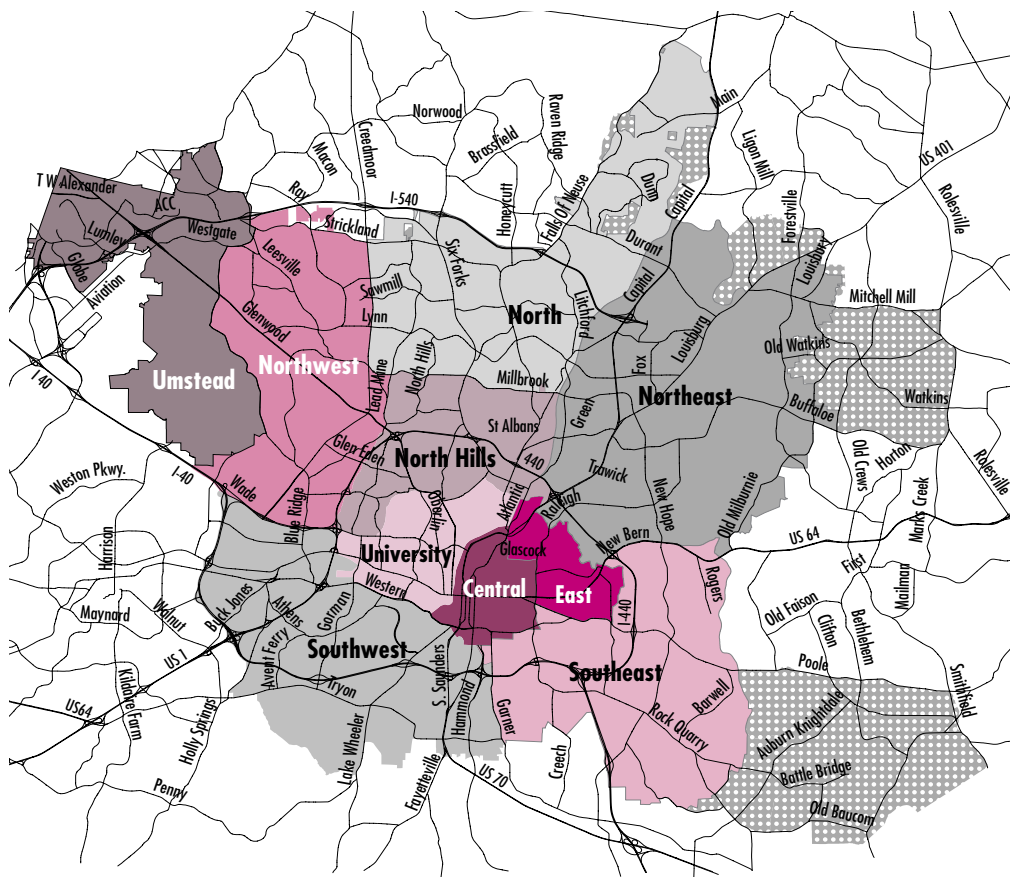
During the fall and winter of 2003, new population and dwelling unit projections were created for the Raleigh planning area. Between 2002 and 2030 population is projected to increase to 570,951 persons, a 55.9% increase over the 366,139 persons residing in Raleigh's planning area in 2002. The expected growth will increase the population density in Raleigh's 137,327 acre planning area from 2.67 persons/acre in 2002 to 4.6 persons/acre in 2030.

Source: CAMPO (Capital Area Metropolitan Planning Organization) socioeconomic data projections

**POPULATION DENSITY
PROJECTIONS FOR
RALEIGH PLANNING AREA
(2002-2030)**



	2002	2010	2020	2030	Growth 2002 to 2030	% Growth 2002 to 2030
Central	18,712	22,870	30,103	30,763	12,051	64.4%
East	10,488	11,104	13,243	13,488	3000	28.6%
North	59,404	66,020	74,197	81,334	21,930	36.9%
North Hills	26,648	27,181	28,750	30,681	4,033	15.1%
Northeast	63,745	78,959	96,949	123,068	59,323	91.1%
Northwest	43,516	49,571	53,181	57,133	13,617	31.3%
Southeast	34,010	37,344	53,356	75,799	41,789	122.9%
Southwest	68,315	71,229	78,512	87,589	19,274	28.2%
Umstead	10,452	23,334	26,370	26,463	16,011	153.2%
University	30,849	34,252	39,654	44,633	13,784	44.7%
Total	366,139	421,864	494,315	570,951	204,812	55.9%



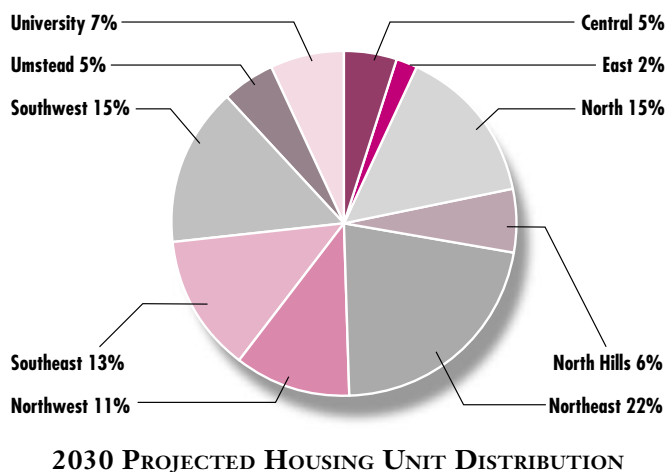
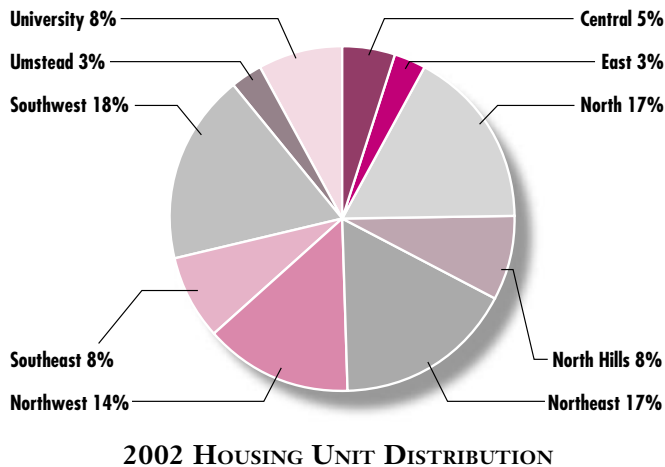
**RALEIGH PLANNING DISTRICTS &
URBAN SERVICE AREAS**

Housing Unit Estimates & Projections by Planning Districts (2002-2030)

	2002	2010	2020	2030	Growth 2002 to 2030	% Growth 2002 to 2030
Central	7,474	9,296	12,472	12,760	5,286	70.7%
East	4,391	4,659	5,599	5,706	1,315	29.9%
North	26,373	29,274	32,863	36,008	9,635	36.5%
North Hills	11,820	12,055	12,742	13,587	1,767	15.0%
Northeast	26,495	33,198	41,143	52,711	26,216	98.9%
Northwest	21,375	23,986	25,607	27,384	6,009	28.1%
Southeast	12,913	14,374	21,414	31,245	18,332	142.0%
Southwest	28,407	29,683	32,612	36,471	8,064	28.4%
Umstead	4,006	9,662	10,994	11,034	7,028	175.4%
University	12,120	13,071	15,447	18,154	6,034	49.8%
Total	155,374	179,260	210,901	245,062	89,688	57.7%

According to projections, by the year 2030, 245,062 housing units will be located within the Raleigh Planning Jurisdiction, with the Umstead, Southeast, Northeast, and Central planning areas experiencing the largest percentage increase in housing units.

Source: CAMPO (Capital Area Metropolitan Planning Organization) socioeconomic data projections



A substantial renovation of Estey Hall on the Shaw University campus was recently completed.

During the Fiscal Year 2003-2004, retail sales in Raleigh were in excess of \$7.8 billion, up from \$7.2 billion in 2002-2003. Raleigh accounts for 58 percent of all retail sales in Wake County.

Source: NC Department of Revenue, Tax Research Division.

Raleigh Retail Sales				
Fiscal Year	Raleigh Retail Sales	% Annual Increase	Wake County Retail Sales	% Annual Increase
93-94	\$4,394,845,468	8.47%	\$6,663,017,363	11.63%
94-95	\$5,018,859,277	14.19%	\$7,649,497,482	14.80%
95-96	\$5,492,677,474	9.44%	\$8,440,787,375	10.34%
96-97	\$6,119,315,316	11.41%	\$9,669,935,586	14.56%
97-98	\$6,437,307,729	5.20%	\$10,318,839,601	6.70%
98-99	\$6,913,502,130	7.39%	\$11,535,941,927	11.79%
99-00	\$7,026,463,226	1.63%	\$11,613,684,026	0.67%
00-01	\$7,524,444,394	7.09%	\$12,546,177,149	8.03%
01-02	\$7,001,817,687	-7.31%	\$12,017,561,289	-4.40%
02-03	\$7,296,796,227	4.21%	\$12,401,936,497	3.19%
03-04	\$7,822,924,893	7.21%	\$13,420,476,707	8.21%

In 2004 North Carolina had per capita personal income (PCPI) of \$29,246. This PCPI was 88 percent of the national average of \$32,937. The 2004 NC PCPI reflected an increase of 1 percent from 2003. The latest PCPI available for Wake County remained higher than state and national PCPI numbers.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System

Per Capita Income							
	1990	2000	2001	2002	2003	2004	% of USA in 2003
Wake County	\$20,658	\$35,959	\$36,145	\$35,515	\$35,864	n/a	114%
Durham County	\$19,238	\$30,675	\$30,631	\$30,813	\$31,129	n/a	99%
Orange County	\$19,857	\$30,885	\$37,302	\$33,375	\$34,182	n/a	109%
Johnston County	\$15,773	\$25,442	\$26,114	\$25,50	\$25,790	n/a	82%
North Carolina	\$16,262	\$27,071	\$27,501	\$27,785	\$28,077	\$29,246	89%
United States	\$18,666	\$29,770	\$30,413	\$30,906	\$31,472	\$32,937	100%

The Raleigh-Durham MSA has the highest median family income in North Carolina, surpassing the next highest region (Charlotte) by 13 percent or \$8000. Between 1990 and 2004 the Jacksonville MSA experienced the greatest percentage growth in median family income — 80.3 percent. The Raleigh-Durham MSA's median family income grew by 66.6 percent or \$27,900.

Median Family Income							
	1990	2001	2002	2003	2004	% Growth 90-04	
Asheville	\$30,500	\$46,800	\$49,000	\$49,600	\$49,700	62.9%	
Charlotte-Gastonia-Rock Hill	\$38,300	\$60,400	\$64,100	\$61,800	\$61,800	61.3%	
Fayetteville	\$27,700	\$41,900	\$43,700	\$46,900	\$46,900	69.3%	
Greensboro-Winston Salem-High Point	\$36,100	\$53,100	\$56,100	\$55,500	\$55,500	53.7%	
Jacksonville	\$22,900	\$38,500	\$40,100	\$41,300	\$41,300	80.3%	
Raleigh-Durham-Chapel Hill	\$41,900	\$66,100	\$71,300	\$69,800	\$69,800	66.6%	

Source: N.C. State Data Center, US Department of Housing and Urban Development, US Bureau of Census.

Raleigh Business Privilege Licenses

Year	# of Licenses	\$ Value of Licenses	Average Value per License
1997-1998	14,159	\$1,807,000	\$128
1998-1999	13,778	\$1,852,000	\$134
1999-2000	14,658	\$1,928,000	\$132
2000-2001	15,324	\$2,148,248	\$140
2001-2002	16,577	\$2,267,116	\$137
2002-2003	17,027	\$3,293,450	\$193
2003-2004	15,607	\$3,345,810	\$214

During FY 2003-2004 the number of business privilege licenses issued by the City of Raleigh decreased over the previous fiscal year because of business closures and non-renewal by owners. Nevertheless, the total dollar value of licenses increased along with the average dollar value per license. (The license fee is based on the type of business).

Source: City of Raleigh Finance Department

Local Tax Rates — 1996 to 2004

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Apex	0.52	0.52	0.52	0.52	0.42	0.40	0.40	0.40	0.40
Cary	0.54	0.54	0.54	0.54	0.43	0.42	0.42	0.42	0.42
Fuquay-Varina	0.59	0.59	0.59	0.59	0.49	0.49	0.52	0.52	0.52
Garner	0.64	0.64	0.64	0.64	0.52	0.52	0.56	0.56	0.56
Holly Springs	0.62	0.62	0.62	0.62	0.53	0.53	0.53	0.53	0.53
Knightdale	0.51	0.52	0.52	0.53	0.44	0.44	0.46	0.48	0.50
Morrisville	0.60	0.60	0.60	0.60	0.47	0.47	0.47	0.47	0.47
Raleigh	0.5375	0.5375	0.525	0.525	0.385	0.385	0.385	0.385	0.395
Rolesville	0.55	0.55	0.55	0.62	0.485	0.485	0.485	0.485	0.485
Wake Forest	0.56	0.56	0.56	0.60	0.50	0.52	0.52	0.53	0.54
Wendell	0.59	0.59	0.59	0.59	0.54	0.54	0.54	0.54	0.54
Zebulon	0.525	0.525	0.525	0.525	0.46	0.46	0.48	0.48	0.48
Wake County	0.63	0.63	0.63	0.73	0.564	0.564	0.564	0.604	0.604

The 2000 tax rates were adjusted downward from the 1999 rate to offset the effects of the real property revaluation, which Wake County is required to do every eight years. The adopted tax rates are “revenue neutral”, so that revenues brought in by property taxes in a revaluation year would be the same as if a revaluation had not taken place. The combined City/County tax rate of City of Raleigh residents for FY 2004-05 is .999 per \$100 in value.

#10 U.S. City for European Investment

— Expansion Magazine, July 2004



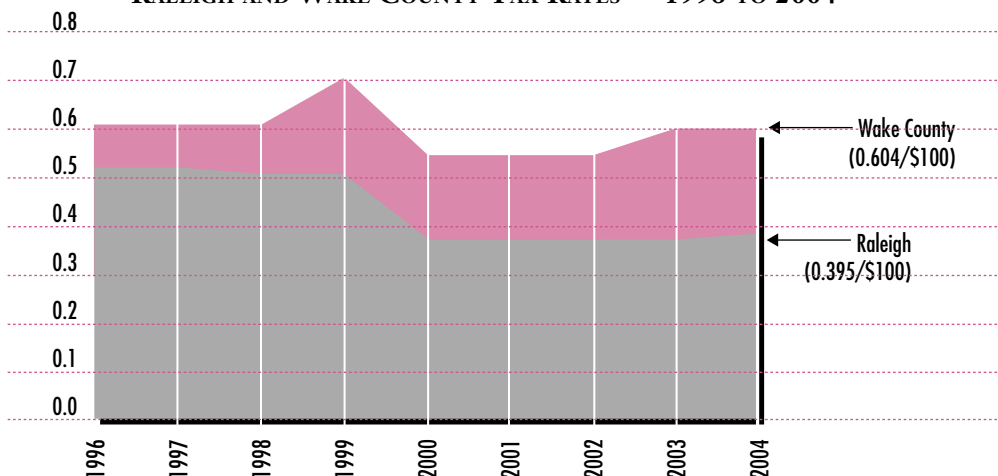
#1 Biotech Workforce #3 Biotech Metro Overall (Raleigh-Durham, NC)

— Milken Institute, June 2004



#11 Kid Friendliest City (Raleigh, NC)

— Population Connection, June 2004

RALEIGH AND WAKE COUNTY TAX RATES — 1996 TO 2004

As of January 1, 2004 the tax base of Wake County was over \$70.4 billion. The City of Raleigh's tax base of over \$30 billion is the largest of all municipalities in the County. Raleigh's tax base is 32 percent commercial/industrial and 68 percent residential. Zebulon and Morrisville had the highest percentage of commercial/industrial tax base at 64 percent and 46 percent, respectively.

Includes business and residential personal property values for fiscal year 2003-2004 and real property values as of 1-1-2004.

**#4 Best City to Call Home
(For Hispanics) (Raleigh-Durham, NC)**

— AARP Segunda Juventud, June 2004



**#4 Best City for Dating
(Raleigh-Durham, NC)**

— Sperlings Best Places, May 2004



**#2 Most Educated City
(Raleigh, NC)**

— US Census Bureau-American Community Survey, 2002 (Released May 2004)



**#2 Best Place for Business
(Raleigh-Durham, NC)**

— Forbes, May 2004



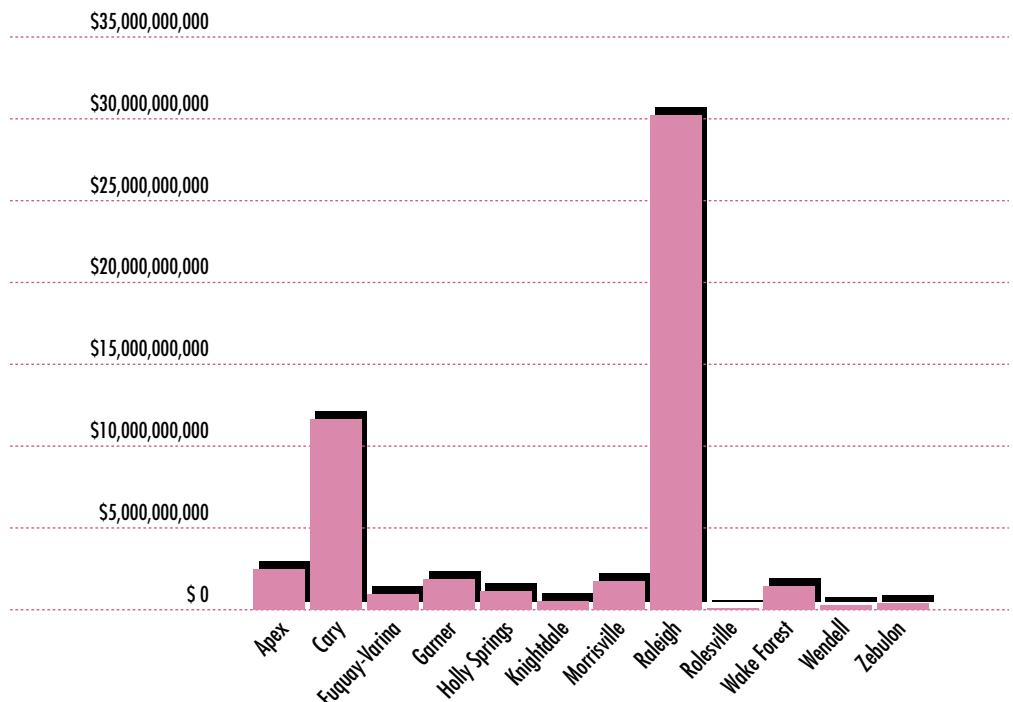
**#4 Best City for
Entrepreneurs and Small
Businesses
#5 Best City for Economic
Dynamism (Raleigh, NC)**

— Gold Guide Rankings, May 2004

2003-04 Wake County Tax Base Components by Municipality

	% Commercial	% Residential	Total Value	Commercial Value	Residential Value
Apex	18%	82%	2,462,076,521	434,924,031	2,027,152,490
Cary	28%	72%	11,629,457,688	3,236,486,420	8,392,971,268
Fuquay-Varina	42%	58%	973,852,606	404,728,262	569,124,344
Garner	40%	60%	1,863,130,200	749,723,172	1,113,407,028
Holly Springs	10%	90%	1,125,108,356	109,343,098	1,015,765,258
Knightdale	25%	75%	501,782,840	126,396,150	375,386,690
Morrisville	46%	54%	1,761,719,192	813,294,740	948,424,452
Raleigh	32%	68%	30,190,552,477	9,624,974,584	20,565,577,893
Rolesville	21%	79%	106,020,538	22,578,462	83,442,076
Wake Forest	22%	78%	1,434,186,814	320,179,558	1,114,007,256
Wendell	19%	81%	251,340,865	47,670,141	203,670,724
Zebulon	64%	36%	418,369,887	266,477,313	151,892,574
Wake County	30%	70%	70,422,931,968	20,947,890,775	49,475,041,193

2003 - 2004 PROPERTY TAX BASE BY MUNICIPALITY



Source: Wake County Tax Assessor's Office.

Accra Cost of Living Index — Fourth Quarter 2004

	100% Composite Index	Groceries Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Charlotte NC (<i>Charlotte/Gastonia/ Concord NC/SC Metro</i>)	92.3	93.5	80.3	80.5	100.7	111.4	100.9
Gastonia NC (<i>Charlotte/Gastonia/ Concord NC/SC Metro</i>)	89.3	92.4	80.1	88	93.5	98.7	94.2
Fayetteville NC (<i>Fayetteville NC Metro</i>)	93.9	108.2	81.5	89.3	92.5	104.2	99.5
Goldsboro NC (<i>Goldsboro NC Metro</i>)	91.2	103.3	82.8	107	89.1	84.5	91
Greenville NC (<i>Greenville NC Metro</i>)	94.3	95.1	89.4	83.8	94.2	113	98.9
Dare County NC (<i>Kill Devil Hills NC Micro</i>)	113.8	99	142.5	92.2	107.1	91	104.4
Kinston NC (<i>Kinston NC Micro</i>)	93.2	92.6	86	96.9	99.3	99	96.4
Raleigh NC (<i>Raleigh-Cary NC Metro</i>)	92.7	100	79.4	105.1	92.4	103.2	97.1
Wilmington NC (<i>Wilmington NC Metro</i>)	95.6	99.6	90.1	99.3	96.7	102.4	96.9
Winston-Salem NC (<i>Winston-Salem NC Metro</i>)	89.1	97.5	81.4	80.9	92.8	85.5	94.2

Each quarter ACCRA (American Chamber of Commerce Researcher's Association) collects data and publishes cost of living information for participating Metro-Micro Urban Areas in the United States. To determine overall cost of living, the relative affordability of certain items (groceries, housing, utilities, transportation, health care, and miscellaneous goods and services) are indexed and a composite figure is calculated and then compared to the national average of 100. (Since the index does not measure inflation and each quarterly report is a "snap shot" of a single point in time, index data from different quarters should not be compared.)

For the fourth quarter of 2004, Raleigh had a Composite Index of 92.7, with a high individual index of 105.1 for Utilities and a low individual index of 79.4 for housing.

Source: ACCRA, 4th quarter 2004.



A new residence hall, now under construction on the Peace College campus, will house an expanding on-campus population.

**Apartment & Housing Prices
Fourth Quarter 2004**

	Apartment Rent	Home Price
Asheville	\$786	\$324,233
Burlington	\$730	\$222,166
Charlotte	\$557	\$218,550
Dare County	n/a	\$385,000
Fayetteville	\$653	\$214,000
Gastonia	\$575	\$217,600
Goldsboro	\$648	\$213,847
Greenville	\$605	\$240,000
Kinston	n/a	\$231,057
Marion-McDowell County NC	n/a	\$282,000
Raleigh	\$661	\$205,195
Wilmington	\$616	\$245,068
Winston-Salem	\$597	\$217,440

During the fourth quarter of 2004, Asheville had the highest average apartment rent (\$786 per month) in North Carolina. Burlington had the second highest (\$730 per month). Raleigh had the lowest average sales price for existing and new homes during the fourth quarter of 2004 at \$205,195. Dare County has the highest home price at \$385,000.)

Source: ACCRA, 4th quarter 2004.

The Government, Trade, Transportation and Utilities, Professional & Business Services Education & Health Services Sectors comprise nearly 71 percent of Wake County's total insured employment. The dominance of these four sectors contribute to the county's overall economic stability.

Source: Employment Security Commission, "Employment and Wages in North Carolina"

#1 City with the Happiest Workers (Raleigh, NC)

— Hudson Employment Index, March 2004



#3 High Value Labor Market Quotient 2004

— Expansion Management, March 2004



#4 City That Rocks (Raleigh, NC)

— Esquire Magazine, April 2004



#6 Least Expensive Midsize Metro Area for Businesses (Raleigh, NC)

— KPMG LLP, February 2004



2004 National Superintendent of the Year (Bill McNeal, Wake County Public Schools)

— American Association of School Administrators, 2004

NC State's Centennial Campus offers various pedestrian friendly features within its environs.

EMPLOYMENT BY SECTOR IN WAKE COUNTY

Sectors	2001	2002	2003	2004 (Qtr ending 9/30/04)	% of total (Qtr ending 9/30/04)
Goods-producing Domain	57,785	53,849	50,795	51,900	13.24%
Natural Resources & Mining	1,722	2,225	1,908	1,435	0.37%
Construction	29,047	27,605	26,670	29,015	7.40%
Manufacturing	27,018	24,020	22,217	21,451	5.47%
Service-providing Domain	330,703	326,540	330,261	340,188	86.76%
Trade, Transportation & Utilities	80,037	76,155	76,184	77,795	19.84%
Information	17,733	17,434	16,989	16,448	4.19%
Financial Activities	20,773	22,101	20,879	22,540	5.75%
Professional & Business Services	68,192	64,967	66,688	67,992	17.34%
Education & Health Services	63,616	65,069	6,987	68,268	17.41%
Leisure & Hospitality	35,339	35,575	36,012	37,201	9.49%
Other Services	12,604	12,214	12,327	13,109	3.34%
Public Administration	32,406	32,676	33,331	35,686	9.10%
Government (Local, State, Federal)	68,658	68,127	70,567	72,769	18.56%
Total	388,487	380,388	381,054	392,088	100%

Raleigh's unemployment has consistently been lower than the North Carolina and national rates. For the first three months of 2005 unemployment rates in Raleigh, the MSA, and the state are lower than year end unemployment rate totals for year 2004.

Source: Employment Security Commission, Labor Market Information.

Average Annual Unemployment Rates						
	2000	2001	2002	2003	2004	March 2005
Raleigh	1.8%	3.4%	5.3%	5.2%	4.7%	3.8%
Wake County	1.5%	3.3%	5.3%	4.7%	3.6%	4.0%
Raleigh MSA	1.8%	3.3%	5.1%	4.7%	4.3%	4.1%
North Carolina	3.8%	5.6%	6.7%	6.5%	5.5%	5.2%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.4%



New and Expanded Companies in Wake County — 2004

	# of New Companies	\$ Investment in New Companies	Projected Employee Increase in New Companies	# of New Expansions	\$ Investment in Expanding Companies	Projected Employee Increase in Expansions
2000	26	\$57,900,000	464	51	\$1,161,332,000	4,688
2001	20	\$28,000,000	653	35	\$143,000,000	1,437
2002	36	\$196,160,000	1,143	33	\$305,125,905	874
2003	12	\$27,750,000	585	41	\$182,231,000	1,854
2004	30	\$116,050,000	1,906	19	\$62,900,000	663

In year 2004, 49 major companies announced either new operations or expansions of present operations in Wake County with an announced estimated dollar investment of over \$178 million. This represents an estimated 2,569 new jobs added to the workforce in Wake County. 30 new companies have announced new operations with a projected employment of 1,906 persons in Wake County. During this same time period there were 19 expansions announced in Wake County with a projected employment of 663.

Source: Greater Raleigh Chamber of Commerce.

NEW COMPANIES IN**WAKE COUNTY — 2004**

*companies in bold type are located in Raleigh

Affiliated Computer Services*

American Red Cross

Aqua America

Cary Creek Commons

Credit Suisse First Boston

Dorothy and Roy Park Alumni Center

FLX Micro

HomeBanc

Iams Company

International Rectifier Corporation

Intrasphere

Kerr Drugs

Kucera

MANA

Mission Critical Hardware

Network Appliance

Noven Structures

NuMarkets

Opticality Corporation

Partners III/Centennial Campus

PrimeTV /Gatelinx

Qualcomm

Renaissance Raleigh Hotel

Saks Fifth Avenue

Scholastic Book Fair

Shea Homes

Springboard/Hosting Solutions

Synthon

William and Ida Friday Institute for Education Innovation

EXPANDING COMPANIES IN WAKE COUNTY — 2004

AccessPoint, Inc.

Aeroglides Corporation

Arena Center

Arsenal Digital Solutions

Ascom Wireless Solutions

ConAgra

Iatria Day Spa

Maverick Marketing

MeadWestvaco Healthcare Packaging

Miller-Motte Technical School

**Overton Distributors/
FreshPoint Inc.**

Pergo

Quick Drop

Red Hat

RelativitySemtech

Skanska USA Building Inc.

SPCA/Curtis Dail Pet Adoption Center

Tekelec

Time Warner Cable

WakeMed

Source: Greater Raleigh Chamber of Commerce.



A recently completed classroom building creates a new focal point on the Meredith College campus.

Municipal Services Comparison FY 2004-05

	Annual Fee & Tax total	Annual Water & Sewer Fee	Annual Solid Waste Fee
Apex	\$1,607.36	\$656.40	\$150.96
Cary	\$1,505.28	\$573.24	\$92.04
Fuquay-Varina	\$1,834.40	\$632.40	\$162.00
Garner	\$1,772.56	\$652.56	\$0.00
Holly Springs	\$1,900.00	\$696.00	\$144.00
Knightdale	\$1,822.24	\$701.76	\$120.48
Morrisville	\$1,766.32	\$826.32	\$0.00
Raleigh	\$1,226.45	\$304.45	\$84.00
Rolesville	\$1,898.92	\$811.92	\$117.00
Wake Forest	\$2,005.56	\$749.52	\$176.04
Wendell	\$2,119.20	\$799.20	\$240.00
Zebulon	\$2,063.64	\$959.64	\$144.00
Chapel Hill	\$1,982.08	\$793.08	\$0.00
Durham	\$1,743.92	\$463.92	\$60.00
Charlotte	\$1,333.46	\$394.80	\$45.00
Winston Salem	\$1,362.14	\$263.14	\$0.00
Greensboro	\$1,613.80	\$446.40	\$0.00
Carrboro	\$2,222.68	\$793.08	\$0.00

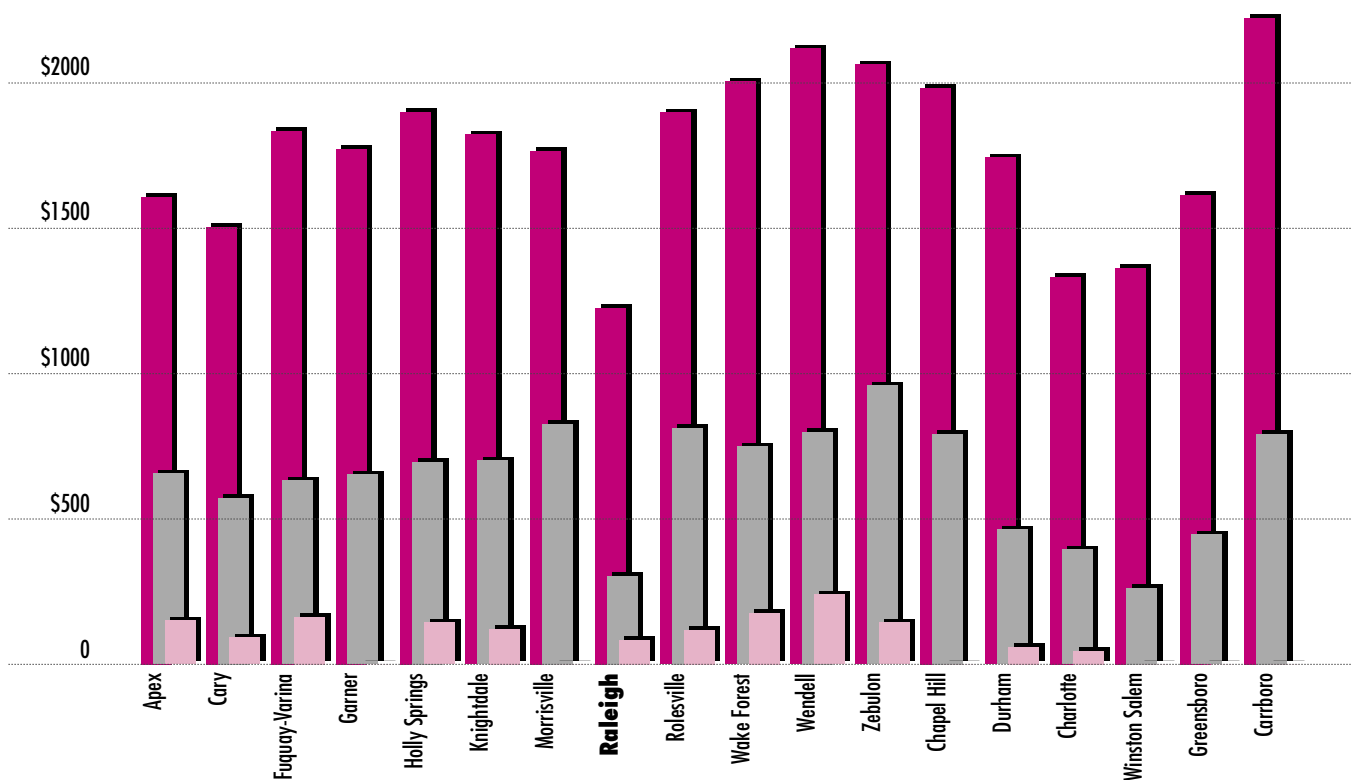
The Veterinary School at NC State has recently added a new 4-story classroom building to its campus.



FY 2004-05 COMPARITIVE COSTS OF MUNICIPAL SERVICES BY MUNICIPALITY

The annual cost for City of Raleigh municipal services is one of the lowest in the state compared to municipal services annual totals in comparable-sized North Carolina cities.

Annual Fee and Tax Total
Annual Water and Sewer Fee
Annual Solid Waste Fee



Median Sales Price by unit type — City of Raleigh

	2003 Median Sales Price	2004 Median Sales Price	2003 Total Units	2004 Total Units	2003 Total Units sold	2004 Total Units sold	2003 % Total Units	2004 % Total Units
Detached	\$172,000	\$179,000	65,504	67,568	5,623	6,123	8.58%	9.06%
Townhouse	\$134,000	\$137,000	13,662	14,647	1,890	2,055	13.83%	14.03%
Condo	\$119,000	\$122,500	7,060	7,303	806	783	11.42%	10.72%

The median sales price for detached units in the City of Raleigh in calendar year 2004 was \$179,000, up from \$172,000 in calendar year 2003. The median sales price for townhouse and condominium units were also up in calendar year 2004, to \$137,500 and \$122,000 respectively, an increase of \$3,500 in each category from calendar year 2003.

RALEIGH RESIDENTIAL SALES BY PRICE RANGE & TYPE OF UNIT - CALENDAR YEAR 2004*

From calendar year 2003 to 2004, the number of new non-residential building permits issued in the Raleigh Planning Jurisdiction increased by 4.3 percent. While the dollar value of permits issued in the industrial and commercial sectors decreased from 2003 to 2004, the office and institutional categories' dollar amount increased.

RALEIGH AND ETJ NEW NON-RESIDENTIAL BUILDING ACTIVITY 2003-2004

	# Permits 2003	# Permits 2004	Sq. feet 2003	Sq. feet 2004	Value 2003	Value 2004
Office	27	59	1,102,102	820,422	\$54,302,393	\$103,100,464
Industrial	39	25	439,972	453,768	\$46,367,116	\$12,942,122
Institutional	27	60	537,328	765,197	\$30,014,444	\$65,783,506
Commercial	94	58	2,025,417	846,537	\$102,862,148	\$49,843,500
Other*	95	92	799,306	342,836	\$21,158,139	\$9,458,701
Total	282	294	4,904,125	3,228,760	\$254,704,240	\$241,128,293

Source: City of Raleigh Planning and Inspections Departments. Figures do not include alterations or fit-ups.

* Other includes parking garages, out-buildings, cell towers, etc.

RALEIGH BUILDING ACTIVITY — NUMBER OF RESIDENTIAL PERMITS ISSUED 1994-2004

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Single Family	1,785	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621	3,017
Townhouse	218	248	214	320	644	992	1,067	1,342	1,188	1,168	1,649
2 Family	9	1	59	11	24	7	4	9	102	113	74
3 & 4 Family	2	0	0	1	0	0	0	3	21	14	3
Condominium	8	36	74	56	225	280	56	13	44	70	18
Apartment	121	102	93	28	108	169	168	131	24	77	36
Total	2,171	2,188	2,516	2,782	3,402	3,785	3,495	4,216	4,236	4,011	4,796

During the calendar year 2004, 4,796 residential permits were issued by the City of Raleigh. Of these permits, 63% were single-family, 34% townhouse, 1.5% two-family, and less than 1% apartment, condominium and 3 & 4 family.

RALEIGH BUILDING ACTIVITY — NUMBER OF DWELLING UNITS PERMITTED 1994-2004

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Single Family	1,785	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621	3,021
Townhouse	218	248	214	320	644	992	1,067	1,342	1,188	1,168	1,642
2 Family	18	2	60	19	46	14	8	98	204	226	89
3 & 4 Family	7	0	0	2	0	0	0	32	78	49	11
Condominium	36	74	63	223	267	355	166	207	412	181	235
Apartment	1,902	1,530	1,269	374	1,077	2,356	3,311	2,817	453	1,610	1,266
Total	3,966	3,617	3,700	3,135	4,380	6,480	6,795	7,196	5,166	5,855	6,264

During the calendar year 2004, 4,796 residential permits were issued by the City of Raleigh representing 6,264 dwelling units. Of these permits, 48% were single-family, 26% townhouses, 20% were apartments, 1.5% were two-family, 4% condominium, and .5% 3 & 4 family.

Source: City of Raleigh Planning and Inspections Departments.

RALEIGH AND ETJ BUILDING ACTIVITY (NEW, PRIVATELY OWNED) – DOLLAR VALUES

	Single Family	Two Family	3&4 Family	Multi- Family	Non- Residential
1994	\$210,363,768	\$813,240	\$183,000	\$73,273,447	\$111,929,912
1995	\$201,850,450	\$160,000	0	\$67,117,366	\$141,362,483
1996	\$239,330,686	\$3,383,302	0	\$67,158,682	\$128,735,563
1997	\$247,706,761	\$903,500	\$1,155,000	\$61,143,791	\$152,136,365
1998	\$278,837,318	\$2,795,208	0	\$136,848,371	\$238,649,393
1999	\$344,616,136	\$1,198,000	0	\$268,133,895	\$222,532,780
2000	\$321,835,579	\$629,088	0	\$300,396,401	\$303,997,454
2001	\$361,919,660	\$9,059,289	\$528,000	\$263,782,213	\$316,368,247
2002	\$386,515,765	\$10,239,126	\$4,359,150	\$183,836,596	\$86,419,034
2003	\$359,611,178	\$8,375,559	\$3,405,000	\$212,043,052	\$243,807,961
2004	\$475,923,842	\$7,716,464	\$728,292	\$273,326,954	\$200,936,119

During the calendar year 2004 the value of new privately-owned building activity in Raleigh and the ETJ surpassed \$958 million. The value for new single-family development during 2004 reached an all time high, exceeding year end totals for the last ten years. There was also an increase in dollar value of multi-family development in 2004 as compared to 2003.

Source: City of Raleigh Planning and Inspections Departments.

Please note: the data fields reflect only new privately-owned construction.

#6 Best Public School System (Raleigh-Durham-Chapel Hill MSA)

— Expansion Management's MSA Education Quotient Rankings, April 2004

TOTAL VALUE OF CONSTRUCTION AUTHORIZED — 1994 TO 2004

The total value of construction authorized in the City of Raleigh is derived from the value of building permits for new residential construction, new commercial construction (private and publicly-owned), residential and commercial alterations & additions, and other (such as demolitions).

For the sixth consecutive year, total construction in Raleigh was over \$1 billion. The year 2004 figure reflects and increase of \$127,697,096 over the 2003 figure of \$1,191,743,536.

Source: City of Raleigh Inspections Department

Year	Value
1994	\$526,293,173
1995	\$584,350,591
1996	\$639,347,051
1997	\$742,865,773
1998	\$884,444,844
1999	\$1,161,501,578
2000	\$1,187,362,277
2001	\$1,301,590,138
2002	\$1,001,613,936
2003	\$1,191,743,536
2004	\$1,319,440,632

#1 City with the Happiest Workers (Raleigh, NC)

— Hudson Employment Index, March 2004

#3 High Value Labor Market Quotient 2004

— Expansion Management, March 2004

RALEIGH GROWTH & DEVELOPMENT — SPRING, 2005

The Growth and Development Report is prepared by the City of Raleigh Planning Department twice each year. Suggestions and questions on format or contents of this report are welcomed.

PREPARED BY THE CITY OF RALEIGH PLANNING DEPARTMENT

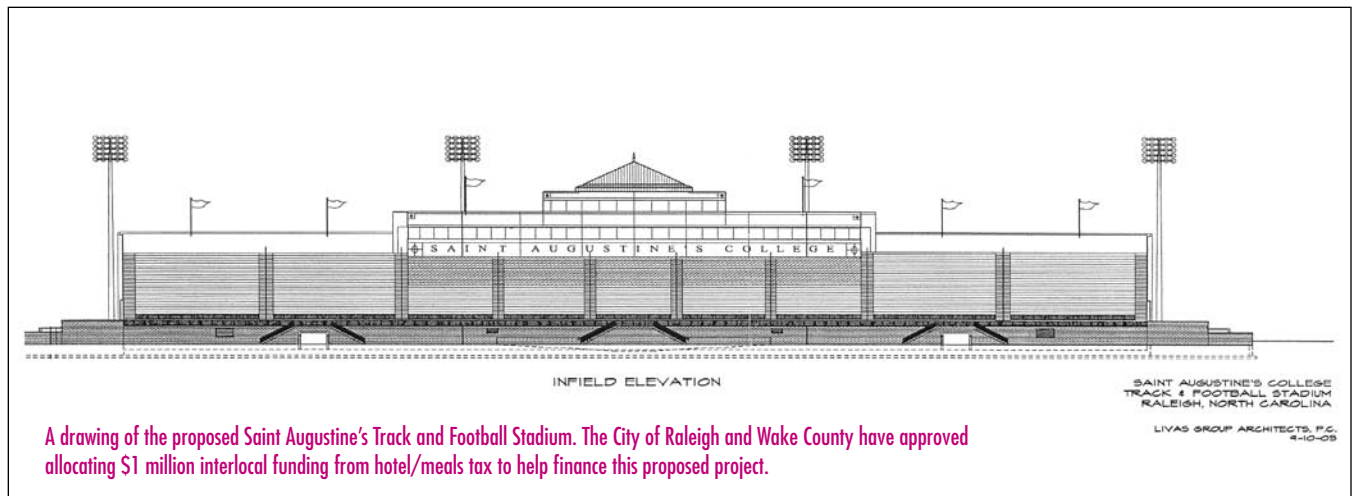
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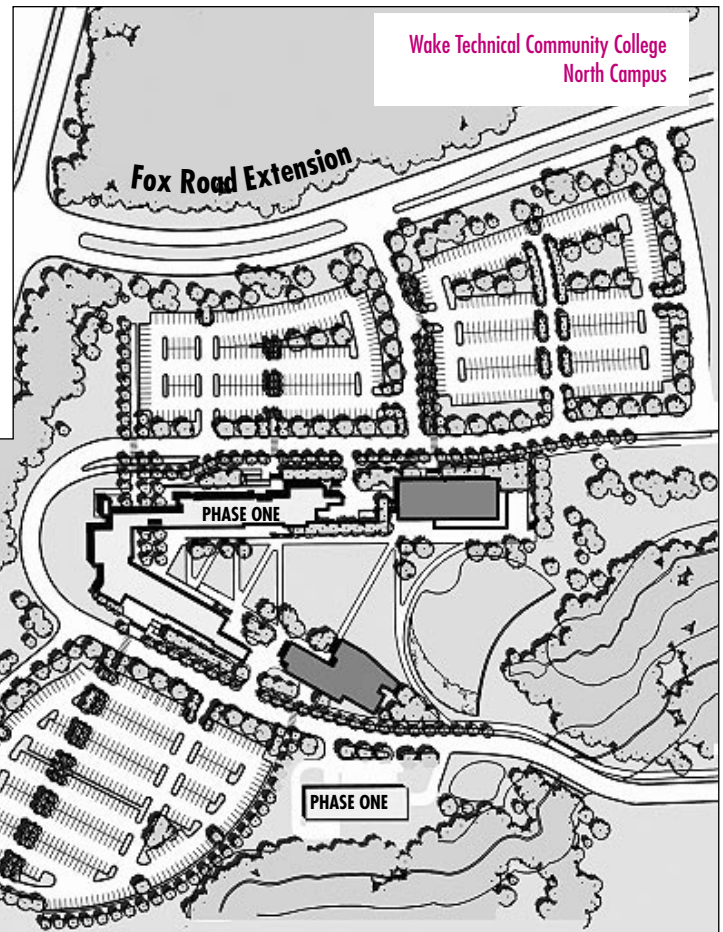
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(continued from p.1)

and universities are expanding their campus areas and have new facilities planned for the future. Recently NCSU was allocated 130 acres of the Dix Property in southwest Raleigh east of Centennial Parkway. The City of Raleigh has approved a mixed use master plan for this site which will contain new academic, public and private research facilities and housing development. In the downtown area, Peace College is expanding their presence northward with a new housing building under construction. Also in the downtown area, Shaw University has acquired several perimeter properties and has plans for additional research and teaching facilities. As these institutions expand and make new investments they will continue to be a vital part of the Raleigh community and enhance quality of life for the citizens and businesses they support.



Enrollment Fall 2004

- Meredith2,169
- NC State28,181
- Peace College701
- Shaw Univ.....2,711
- St Augustine1,420
- Wake Tech16,414

Graduates in school year 2003-04*

- Meredith518
- NC State5,635
- Peace College124
- Shaw Univ.....401
- St Augustine159
- Wake Tech1,296

* These numbers include both fall 2003 and spring 2004 graduates.

The proposed Wake Technical Community College North Campus is under construction on Louisburg Road/US 401 just north of the I-540 and sidewalks along with utility improvements. The first of seven phases for the campus plan will include two classroom buildings with science labs, computer labs, library, tutorial center, offices and a physical plant building on approximately 28.65 acres with an estimated 167,000 total square feet of building space and 656 parking spaces for faculty and staff. Phase One will serve approximately 3,000 students and classes are scheduled to begin during the fall semester of 2007.